PETER LEHMANN WINES LIMITED
AUDIT COMMITTEE CHARTER

ROLE

The role of the audit committee is to oversee and enhance the credibility of the financial reporting process of Peter Lehmann Wines Limited and controlled entities. The audit committee in expanding its scope or level of responsibility should preserve its traditional role of exercising a broad but effective overview and should not assume management's responsibility for the content of the financial statements.

Sound judgement, good communication and a healthy level of scepticism by audit committee members are essential to an effective overview of the financial reporting process.

The objectives of the committee shall include the following:

1. Assessing the risk and control environment – review accounting policies, internal controls, practices and disclosures to assist the board in making informed decisions
2. Overseeing the financial reporting to ensure it is appropriate and of a high quality prior to recommending adoption of the financial statements by the board for release to shareholders
3. Evaluating the audit process, particularly the scope, effectiveness and outcome

MEMBERSHIP

The audit committee shall be comprised of non-executive directors.

Committee members are expected to be financially literate, that is to have the ability to read and understand financial reports including statements of financial performance, financial position and cash flow.

At least one member of the audit committee shall have accounting or related financial experience.

The committee chairman, being a non-executive director and not the company chairman, shall be appointed by the board of directors. The chairman shall be knowledgeable about the business, financial and auditing processes and be responsible for the planning and conduct of meetings and overseeing the reporting to the board.

The company secretary shall be appointed committee secretary for the purpose of maintaining minutes and attending to necessary administration matters.

The term of service of the members of the committee will be determined by the board of directors.

MEETINGS

The audit committee shall meet at least once per year to coincide with the production of published financial statements and the assessment of external audit reports.

REPORTING
The audit committee shall report a summary of the findings of each committee meeting to the board of directors. All directors shall receive a copy of the minutes of the audit committee meetings.

ACCESS TO PERSONNEL
The audit committee shall have direct access to senior managers and other staff and be able to obtain information as required.

RELATIONSHIP WITH THE EXTERNAL AUDITOR
The audit committee members shall consult directly with the external auditor as required. This consultation is to be independent of management in order to provide an opportunity for the auditor to discuss any contentious issues or raise concerns.

INDEPENDENT PROFESSIONAL ADVICE
The audit committee has the right to seek independent professional advice as it considers necessary.

EVALUATION OF THE COMMITTEE
The committee may undertake a performance evaluation annually with the outcome of the evaluation reported to the board.

DUTIES
The audit committee shall include in its annual agenda a review of the following:

Financial Reporting
- Internal Controls and adequacy of procedures for the valuation and safeguarding of assets, compliance with bank covenants
- CEO & CFO written certification regarding the effectiveness of the risk management system (including the operation of internal controls and compliance) which provides the foundation for the integrity of the financial statements
- Accounting policies
- Published financial statements – full and concise financials
- Directors' Report
- Directors' Declaration

Audit
- Appointment of external auditors
- Auditor independence
- Engagement letter
- Audit scope
- Internal Control System
- Management letters, comments and responses
- Audit reports
- Non-audit services

General
- Review of Directors' Related Party transactions
- Litigation other than in the normal course of business
- Review of Legal Compliance Program
- Major financial transactions outside normal business in excess of authorities
- Tax compliance and planning
- Insurance covers